

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1003 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-4-13, AS AMENDED BY P.L.178-2002,
- 4 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the
- 6 land shall be assessed as agricultural land only when it is devoted to
- 7 agricultural use.
- 8 (b) The department of local government finance shall give written
- 9 notice to each county assessor of:
- 10 (1) the availability of the United States Department of Agriculture's
- 11 soil survey data; and
- 12 (2) the appropriate soil productivity factor for each type or
- 13 classification of soil shown on the United States Department of
- 14 Agriculture's soil survey map.
- 15 All assessing officials and the property tax assessment board of appeals
- 16 shall use the data in determining the true tax value of agricultural land.
- 17 (c) The department of local government finance shall by rule provide
- 18 for the method for determining the true tax value of each parcel of
- 19 agricultural land.
- 20 (d) This section does not apply to land purchased for industrial,
- 21 commercial, or residential uses.
- 22 **(e) Notwithstanding any other provision of this article or a rule**
- 23 **adopted by the department of local government finance, for**
- 24 **assessment dates in 2004 and thereafter the true tax value of**

1 **agricultural land may not exceed eight hundred dollars (\$800) per**
 2 **acre."**

3 Page 1, delete lines 13 through 17, begin a new paragraph and insert:

4 **"(c) As used in this section, "farm owner" means a person who**
 5 **is an owner of a farm."**

6 Page 2, delete lines 1 through 8.

7 Page 2, line 12, after "deduction" insert **"for property taxes first**
 8 **due and payable in 2004"**.

9 Page 2, line 13, delete "A farm owner is".

10 Page 2, delete lines 14 through 22.

11 Page 2, line 23, before "If" begin a new paragraph and insert:

12 **"(f) The amount of the farmstead deduction for property taxes**
 13 **first due and payable in 2004 is equal to twenty-four percent**
 14 **(24%) of the assessed valuation of the total farmland acreage in**
 15 **the farm."**

16 Page 3, delete lines 16 through 42, begin a new paragraph and insert:

17 **"SECTION 3. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss),**
 18 **SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 19 **UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of**
 20 **the auditor of state and the department of local government finance,**
 21 **shall determine an amount equal to the eligible property tax replacement**
 22 **amount, which is the estimated property tax replacement.**

23 (b) The department of local government finance shall certify to the
 24 department the amount of:

25 **(1) property tax deduction replacement credits provided**
 26 **under IC 6-1.1-21.9 that are allowed by the county for the**
 27 **particular calendar year;**

28 **(2) homestead credits provided under IC 6-1.1-20.9 which are**
 29 **allowed by the county for the particular calendar year; and**

30 **(3) for property taxes first due and payable after 2004, the**
 31 **total amount of credits under section 5.2 of this chapter that**
 32 **are allowed by the county for the particular calendar year.**

33 (c) If there are one (1) or more taxing districts in the county that
 34 contain all or part of an economic development district that meets the
 35 requirements of section 5.5 of this chapter, the department of local
 36 government finance shall estimate an additional distribution for the
 37 county in the same report required under subsection (a). This additional
 38 distribution equals the sum of the amounts determined under the
 39 following STEPS for all taxing districts in the county that contain all or
 40 part of an economic development district:

41 STEP ONE: Estimate that part of the sum of the amounts under
 42 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 43 to the taxing district.

44 STEP TWO: Divide:

45 (A) that part of the estimated property tax replacement amount

- 1 attributable to the taxing district; by
 2 (B) the STEP ONE sum.
 3 STEP THREE: Multiply:
 4 (A) the STEP TWO quotient; times
 5 (B) the taxes levied in the taxing district that are allocated to a
 6 special fund under IC 6-1.1-39-5.
 7 (d) The sum of the amounts determined under subsections (a)
 8 through (c) is the particular county's estimated distribution for the
 9 calendar year.

10 SECTION 4. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
 11 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
 12 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
 14 shall allocate from the property tax replacement fund an amount equal
 15 to the sum of:

- 16 (1) each county's total eligible property tax replacement amount
 17 for that year; plus
 18 (2) the total amount of homestead tax credits that are provided
 19 under IC 6-1.1-20.9 and allowed by each county for that year;
 20 plus
 21 (3) an amount for each county that has one (1) or more taxing
 22 districts that contain all or part of an economic development
 23 district that meets the requirements of section 5.5 of this chapter.
 24 This amount is the sum of the amounts determined under the
 25 following STEPS for all taxing districts in the county that contain
 26 all or part of an economic development district:

27 STEP ONE: Determine that part of the sum of the amounts
 28 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
 29 attributable to the taxing district.

30 STEP TWO: Divide:

- 31 (A) that part of the subdivision (1) amount that is attributable
 32 to the taxing district; by
 33 (B) the STEP ONE sum.

34 STEP THREE: Multiply:

- 35 (A) the STEP TWO quotient; times
 36 (B) the taxes levied in the taxing district that are allocated to
 37 a special fund under IC 6-1.1-39-5; **plus**

38 **(4) the total amount of property tax deduction replacement**
 39 **credits that are provided under IC 6-1.1-21.9 and allowed by**
 40 **each county for that year; plus**

41 **(5) for property taxes first due and payable after 2004, the**
 42 **total amount of credits under section 5.2 of this chapter that**
 43 **are allowed by the county for that year.**

44 (b) Except as provided in subsection (e), between March 1 and
 45 August 31 of each year, the department shall distribute to each county

1 treasurer from the property tax replacement fund one-half (1/2) of the
 2 estimated distribution for that year for the county. Between September
 3 1 and December 15 of that year, the department shall distribute to each
 4 county treasurer from the property tax replacement fund the remaining
 5 one-half (1/2) of each estimated distribution for that year. The amount
 6 of the distribution for each of these periods shall be according to a
 7 schedule determined by the property tax replacement fund board under
 8 section 10 of this chapter. The estimated distribution for each county
 9 may be adjusted from time to time by the department to reflect any
 10 changes in the total county tax levy upon which the estimated
 11 distribution is based.

12 (c) On or before December 31 of each year or as soon thereafter as
 13 possible, the department shall make a final determination of the amount
 14 which should be distributed from the property tax replacement fund to
 15 each county for that calendar year. This determination shall be known
 16 as the final determination of distribution. The department shall distribute
 17 to the county treasurer or receive back from the county treasurer any
 18 deficit or excess, as the case may be, between the sum of the
 19 distributions made for that calendar year based on the estimated
 20 distribution and the final determination of distribution. The final
 21 determination of distribution shall be based on the auditor's abstract filed
 22 with the auditor of state, adjusted for postabstract adjustments included
 23 in the December settlement sheet for the year, and such additional
 24 information as the department may require.

25 (d) All distributions provided for in this section shall be made on
 26 warrants issued by the auditor of state drawn on the treasurer of state.
 27 If the amounts allocated by the department from the property tax
 28 replacement fund exceed in the aggregate the balance of money in the
 29 fund, then the amount of the deficiency shall be transferred from the
 30 state general fund to the property tax replacement fund, and the auditor
 31 of state shall issue a warrant to the treasurer of state ordering the
 32 payment of that amount. However, any amount transferred under this
 33 section from the general fund to the property tax replacement fund
 34 shall, as soon as funds are available in the property tax replacement
 35 fund, be retransferred from the property tax replacement fund to the
 36 state general fund, and the auditor of state shall issue a warrant to the
 37 treasurer of state ordering the replacement of that amount.

38 (e) Except as provided in subsection (i), the department shall not
 39 distribute under subsection (b) and section 10 of this chapter the money
 40 attributable to the county's property reassessment fund if:

41 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
 42 county auditor has not sent a certified statement required to be
 43 sent by that date under IC 6-1.1-17-1 to the department of local
 44 government finance; ~~or~~

45 (2) by the deadline under IC 36-2-9-20, the county auditor has not
 46 transmitted data as required under that section; **or**

~~(2)~~ **(3)** *the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a).*

(f) Except as provided in subsection (i), if the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August 1~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) *the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);*

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(i) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; or

(B) *a county assessor to forward copies of all approved exemption applications;*

as described in subsection (e); or

(2) the failure of an official to transmit data as described in subsection (f);

is justified by unusual circumstances.

SECTION 5. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANACODE

AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
PASSAGE]: **Sec. 5.2. (a) This section applies to the following:**

(1) Real property other than agricultural land.

(2) Personal property.

(b) A taxpayer is entitled to a credit each year against the property tax liability on property described in subsection (a) that is owned by the taxpayer.

(c) The amount of the credit under this section is equal to the additional property tax liability imposed on the person's property described in section (a) on account of the reduction in the true tax value of agricultural land from the 2003 true tax value of agricultural land to the eight hundred dollars (\$800) per acre true tax value of agricultural land required by IC 6-1.1-14-3(d) for assessment dates in 2004 and thereafter.

(d) The department, with the assistance of the auditor of state, the department of local government finance, and the auditor of the county, shall determine the amount of each taxpayer's credit under this section and the total amount of credits under this section for each county.

(e) Each year the taxpayers of each county shall receive the credit provided by this section for taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes.

SECTION 6. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21.9. Property Tax Deduction Replacement Credits

Sec. 1. This chapter applies to the following a qualified property tax deduction.

Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout this chapter.

Sec. 3. As used in this chapter, "county property tax deduction replacement amount" means the sum of a particular county's taxpayer property tax deduction replacement credits.

Sec. 4. As used in this chapter, "qualified property tax deduction" means the property tax deduction under IC 6-1.1-12-44.

Sec. 5. As used in this chapter, "taxpayer's property tax deduction replacement credit" means the amount determined in the last of the following STEPS:

STEP ONE: Determine the sum of the taxpayer's qualified property tax deductions.

STEP TWO: Multiply the STEP ONE result by the total net

1 tax rate applicable in the taxpayer's taxing district.

2 Sec. 6. The department, with the assistance of the auditor of
3 state and the department of local government finance, shall
4 determine for each county an amount equal to the county
5 property tax deduction replacement amount.

6 Sec. 7. For purposes of calculating tax rates, the county auditor
7 shall add the sum of each county taxpayer's qualified property tax
8 deductions to the county's net assessed value.

9 Sec. 8. For purposes of calculating a particular taxpayer's tax
10 bill, the county treasurer shall add the sum of the taxpayer's
11 qualified property tax deductions to the taxpayer's net assessed
12 value.

13 Sec. 9. Each year the taxpayers of each county shall receive a
14 credit for property tax deduction replacement in the amount of
15 each taxpayer's property tax deduction replacement credit amount
16 for taxes that under IC 6-1.1-22-9 are due and payable in May and
17 November of that year. The credit shall be applied to each
18 installment of taxes. The dollar amount of the credit for each
19 taxpayer shall be determined by the county auditor based on data
20 furnished by the department of local government finance.

21 SECTION 7. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3
22 and IC 6-1.1-21-4, both as amended by this act, apply only to
23 property taxes first due and payable after December 31, 2003.

24 (b) IC 6-1.1-21.9, as added by this act, applies only to property
25 taxes first due and payable after December 31, 2003.

26 (c) IC 6-1.1-21-5.2, as added by this act, applies only to property
27 taxes first due and payable after December 31, 2004."

28 Page 4, delete lines 1 through 3.

29 Page 4, line 8, after "2003," insert "and before January 1, 2005,".

30 Renumber all SECTIONS consecutively.

(Reference is to HB 1003 as printed January 13, 2004.)

Representative Hoffman